

§ 1310(a), Aug. 5, 1997, 111 Stat. 1043, and, as so amended, provisions relating to special rule for qualifying an estate under this section where property has been transferred within 3 years of decedent's death, which formerly appeared in subsec. (d)(4), are contained in subsec. (c)(2).

#### PRIOR PROVISIONS

A prior section 6166 was renumbered section 6166A of this title and later repealed by Pub. L. 97-34, title IV, § 422(d), Aug. 13, 1981, 95 Stat. 315.

#### AMENDMENTS

1998—Subsec. (b)(7)(A)(iii). Pub. L. 105-206, § 6007(c)(1), amended cl. (iii) generally. Prior to amendment, cl. (iii) read as follows: “section 6601(j) (relating to 2-percent rate of interest) shall not apply.”

Subsec. (b)(8)(A)(iii). Pub. L. 105-206, § 6007(c)(2), reenacted heading without change and amended text of cl. (iii) generally. Prior to amendment, text read as follows: “Section 6601(j) (relating to 2-percent rate of interest) shall not apply.”

1997—Subsec. (b)(7)(A)(iii). Pub. L. 105-34 substituted “2-percent” for “4-percent”.

Subsec. (b)(8)(A)(iii). Pub. L. 105-34 substituted “2-percent” for “4-percent” in heading and text.

1996—Subsec. (k)(6). Pub. L. 104-188 struck out par. (6) which provided cross reference to former section 2210(c) of this title authorizing payment of certain portion of estate tax in installments under provisions of this section.

1986—Subsecs. (i) to (k). Pub. L. 99-514 added subsec. (i) and redesignated former subsecs. (i) and (j) as (j) and (k), respectively.

1984—Subsec. (b)(8). Pub. L. 98-369, § 1021(a), added par. (8).

Subsec. (b)(9). Pub. L. 98-369, § 1021(b), added par. (9). Subsec. (g)(1)(E), (F). Pub. L. 98-369, § 1021(c), added subpars. (E) and (F).

Subsec. (g)(2)(C). Pub. L. 98-369, § 1021(d), added subpar. (C).

Subsec. (j)(6). Pub. L. 98-369, § 544(b)(4), added par. (6). 1983—Subsec. (b)(3). Pub. L. 97-448, § 104(c)(1), substituted “35-percent requirement” for “65-percent requirement”.

Subsec. (g)(1)(B)(i). Pub. L. 97-448, § 104(c)(2), substituted “the redemption of such stock, and the withdrawal of money or other property distributed in such redemption, shall not be treated as a distribution or withdrawal for purposes of subparagraph (A), and” for “subparagraph (A)(i) does not apply with respect to the stock redeemed; and for purposes of such subparagraph the interest in the closely held business shall be considered to be such interest reduced by the value of the stock redeemed, and”.

Subsec. (g)(1)(B)(ii). Pub. L. 97-448, § 104(c)(2), substituted “for purposes of subparagraph (A), the value of the interest in the closely held business shall be considered to be such value reduced by the value of the stock redeemed” for “subparagraph (A)(ii) does not apply with respect to withdrawals of money and other property distributed; and for purposes of such subparagraph the value of the trade or business shall be considered to be such value reduced by the amount of money and other property distributed”.

Subsec. (j)(5). Pub. L. 97-448, § 104(d)(1)(B), added par. (5).

1981—Pub. L. 97-34, § 422(e)(5)(B), substituted “Extension of time” for “Alternate extension of time” in section catchline.

Subsec. (a). Pub. L. 97-34, § 422(a)(1), (e)(5)(A), substituted in par. (1) “35 percent” for “65 percent” and struck out par. (4) which provided that no election be made under this section by the executor of the estate of any decedent if an election under section 6166A applies with respect to the estate of such decedent.

Subsec. (c). Pub. L. 97-34, § 422(a)(2), substituted “20 percent or more” for “more than 20 percent”.

Subsec. (g)(1)(A). Pub. L. 97-34, § 422(c)(1), redesignated cl. (i) as cl. (i)(I), substituted “any portion” for

“one-third or more in value”, added cl. (i)(II), substituted in cl. (ii) “the aggregate of such distributions, sales, exchanges, or other dispositions and withdrawals equals or exceeds 50 percent of the value of such interest” for “aggregate withdrawals of money and other property from the trade or business, an interest in which qualifies under subsection (a)(1), made with respect to such interest, equal or exceed one-third of the value of such trade or business” and in provision following cl. (ii) substituted “the unpaid portion” for “any unpaid portion”.

Subsec. (g)(1)(D). Pub. L. 97-34, § 422(c)(3), inserted provision for application of a similar rule in the case of a series of subsequent transfers of the property by reason of death so long as each transfer is to a member of the family of the transferor in such transfer.

Subsec. (g)(3). Pub. L. 97-34, § 422(c)(2), substituted as heading “Failure to make payment of principal or interest” for “Failure to pay installment”, designated existing provisions as subpar. (A), and in subpar. (A) as so designated, substituted “Except as provided in subparagraph (B), if any payment of principal or interest” for “If any installment” and “extension of time” for “extension of time for the payment of such installment”, and added subpar. (B).

1978—Subsec. (b)(2)(D). Pub. L. 95-600, § 512(a), added subpar. (D).

Subsec. (b)(7). Pub. L. 95-600, § 512(b), added par. (7).

#### EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-206 effective, except as otherwise provided, as if included in the provisions of the Taxpayer Relief Act of 1997, Pub. L. 105-34, to which such amendment relates, see section 6024 of Pub. L. 105-206, set out as a note under section 1 of this title.

#### EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105-34 applicable to estates of decedents dying after Dec. 31, 1997, with special rule in case of estate of any decedent dying before Jan. 1, 1998, with respect to which there is an election under section 6166 of this title, see section 503(d) of Pub. L. 105-34, set out as a note under section 163 of this title.

#### EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 applicable to generation-skipping transfers (within the meaning of section 2611 of this title) made after Oct. 22, 1986, except as otherwise provided, see section 1433 of Pub. L. 99-514, set out as an Effective Date note under section 2601 of this title.

#### EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by section 544(b)(4) of Pub. L. 98-369 applicable to estates of decedents which are required to file returns on a date (including any extensions) after July 18, 1984, see section 544(d) of Pub. L. 98-369, set out as a note under section 2002 of this title.

Section 1021(e) of Pub. L. 98-369, as amended by Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095, provided that:

“(1) IN GENERAL.—The amendments made by this section [amending this section] shall apply with respect to estates of decedents dying after the date of the enactment of this Act [July 18, 1984].

“(2) SPECIAL RULE.—

“(A) IN GENERAL.—At the election of the executor, if—

“(i) a corporation has 15 or fewer shareholders on June 22, 1984, and at all times thereafter before the date of the decedent's death, and

“(ii) stock of such corporation is included in the gross estate of the decedent, then all other corporations all of the stock of which is owned directly or indirectly by the corporation described in clauses (i) and (ii) shall be treated as one corporation for purposes of section 6166 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954].

“(B) EFFECT OF ELECTION.—Any executor who elects the application of this paragraph shall be treated as